



# Department of Justice

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## JUSTICE DEPARTMENT APPROVES PROPOSAL TO REDUCE BUSINESS DISPUTES IN THE SHIPPING INDUSTRY

WASHINGTON, D.C. -- The Justice Department today approved a proposal by the Transportation Claims and Prevention Council, Inc. to create new guidelines to help avoid costly legal disputes between shippers and the companies they use to transport their goods.

Under the proposal, the "Shippers Bill" provided by the carriers to their customers will contain all relevant contractual terms to insure that shippers are clearly informed about the terms of the contracts they enter with the motor carriers they use to ship their goods.

The Transportation Claims and Prevention Council has over 500 members who ship goods via motor carrier. For many years, motor carriers and their shipper customers have used a cumbersome contractual document -- the Uniform Bill -- that refers to important contract terms and conditions that are not explained in the Uniform Bill.

While carriers must provide the contract information to shippers on request, they were not provided with such information automatically, and the council asserted that, in practice, many

shippers did not know about these terms resulting in costly disputes.

To remedy this deficiency, the Transportation Claims and Prevention Council proposes to develop and publish the a Shippers' Bill containing all relevant terms and conditions within the body of the document. Council members would be free to use the Shippers' Bill with any motor carrier who agreed to use it. No shipper or carrier would be required to utilize the council's standardized form. The proposed Shippers' Bill would not reflect any agreement by rivals as to price or price-related terms. The documents would contain blank spaces for price and price-related items to allow them to be determined by the individual shipper and carrier.

Anne K. Bingaman, Antitrust Attorney General in charge of the Antitrust Division, said that "the voluntary nature of the proposed standardized business forms and the fact that they do not involve any agreement among rivals as to price or price-related terms or conditions lead us to conclude that the council's contemplated activities are not likely to cause competitive concerns."

Bingaman also noted that "if the utilization of a form of contract that improves the parties knowledge and reduces the cost of business disputes, such a result could be procompetitive".

Under the Department's Business Review Procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Suite 215, Liberty Place, 325 7th Street, N.W., Department of Justice, Washington, D.C. 20004. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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